



**Health Services**  
LOS ANGELES COUNTY

**Los Angeles County  
Board of Supervisors**

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April 13, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO ACCEPT COMPROMISE OFFER OF SETTLEMENT  
(ALL DISTRICTS AFFECTED - 3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Acting Director of Health Services or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual account for patients who received medical care at a County facility:

(1)	Account Number	LAC+USC – 3604430	\$230,376
(2)	Account Number	LAC+USC – 1603007	\$102,081
(3)	Account Number	H/UCLA – 5602340	\$7,880
(4)	Account Numbers	H/UCLA – 6704842, 7104167	\$5,000
(5)	Account Number	MLK/D – 3601586	\$4,000

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The compromise offers of settlement for patient accounts (1) and (2) are recommended because the amounts are the highest amounts that could be negotiated with the patients' insurance (Commercial or HMO) under the circumstances of the case, and receipt of such insurance proceeds prevents further collection from the patients, except for possible beneficiary co-insurance or deductible obligations. The compromise offers of settlement for patient accounts (3) to (5) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the legal settlements involved in these cases.

The best interests of the County would be served by the approval of these compromises since it will enable DHS to maximize net revenue on these accounts.

**Implementation of Strategic Plan Goals:**

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

**Bruce A. Chernof, MD**  
Acting Director and Chief Medical Officer

**John R. Cochran III**  
Chief Deputy Director

**William Loos, MD**  
Acting Senior Medical Officer

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**FISCAL IMPACT/FINANCING:**

This will expedite the County's recovery of revenue totaling approximately \$349,337.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

On January 8, 2002 the Board approved an ordinance granting the Director of Health Services (Director) authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50% of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in legal settlements are approximately divided into thirds – one third each to the plaintiff (patient), attorney, and lien holder(s), although the final result is always the product of negotiation. The County may therefore receive a higher or lower percentage depending on the circumstances of the case. Factors that affect the County's percentage include the number of other lien holders and the contractual agreement between the plaintiff and his or her lawyer.

The compromise of these accounts is not within the Acting Director's authority, so the Acting Director is requesting Board approval of these compromises.

**CONTRACTING PROCESS:**

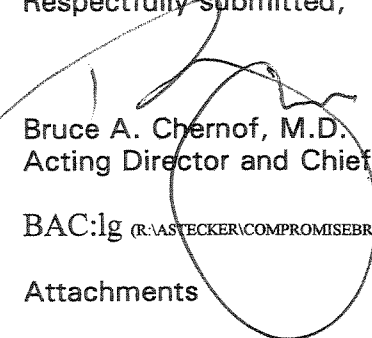
Not applicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS):**

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,

  
Bruce A. Chernof, M.D.  
Acting Director and Chief Medical Officer

BAC:lg (R:\ASTECKER\COMPROMISE\BRDLTR#42\LETTER)

Attachments

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1  
DATE: April 13, 2006

<b>Total Charges</b>	\$329,108	<b>Account Number</b>	3604430
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$329,108	<b>Date of Service</b>	11/17/2005 – 12/21/2005
<b>Compromise Amount Offered</b>	\$230,376	<b>% Of Charges</b>	70%
<b>Amount to be Written Off</b>	\$98,732	<b>Facility</b>	LAC+USC Medical Center

### JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2  
DATE: April 13, 2006

<b>Total Charges</b>	\$391,936	<b>Account Number</b>	1603007
<b>Amount Paid <sup>(1)</sup></b>	\$123,212	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$268,724	<b>Date of Service</b>	7/06/2004 – 09/02/2004
<b>Amount Billable to Patient <sup>(2)</sup></b>	\$ 60,820		
<b>Balance Due From Patient's Insurance</b>	\$207,904		
<b>Compromise Amount Offered</b>	\$102,081	<b>% of Balance</b>	49% <sup>(3)</sup>
<b>Amount to be Written Off</b>	\$105,823	<b>Facility</b>	LAC+USC Medical Center

### JUSTIFICATION

The above compromise offer of settlement is the highest amount that could be negotiated with the patient's insurance (Commercial or HMO) under the circumstances of the case. Upon approval of this compromise, the total payment received from the patient's insurance will be \$225,293 (\$123,212 + \$102,081) or 68% of total charges.

#### Notes:

- (1) Payment received from patient's insurance company
- (2) Insurance deductible to be billed to patient (patient's Medi-Cal application was denied; patient not eligible for Ability-to-Pay as patient is an out-of-county resident)
- (3) Total insurance payment is 68% of charges

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3  
DATE: April 13 2006

<b>Total Charges</b>	\$29,775	<b>Account Number</b>	5602340
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$29,775	<b>Date of Service</b>	07/08/2003-07/11/2003
<b>Compromise Amount Offered</b>	\$7,880	<b>% Of Charges</b>	26%
<b>Amount to be Written Off</b>	\$21,895	<b>Facility</b>	H/UCLA Medical Center

## JUSTIFICATION

This patient was involved in a slip and fall accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient charges of \$29,775 for medical services rendered. The patient qualified for the Ability-to-Pay (ATP) program with no liability. The patient's third-party claim has been settled for \$34,868 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$13,868	\$13,868	40.0%
<b>Lawyer's Cost</b>	\$410	\$410	1.2%
<b>H/UCLA Medical Center</b>	\$29,775	\$7,880	22.6%
<b>Other Lien Holders</b>	\$8,970	\$2,362	6.8%
<b>Patient</b>		\$10,270	29.4%
<b>Total</b>		\$34,868	100%

Note: All lien holders received a total of 29.4% of the settlement; the same percentage as the patient.

Based on financial information provided by patient,, it appears that the patient has no other source of income, or personal or real property to meet his obligation to H/UCLA Medical Center.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4  
DATE: April 13, 2006

<b>Total Charges</b>	\$129,894	<b>Account Numbers</b>	6704842, 7104167
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$129,894	<b>Date of Service</b>	01/21/2005-02/03/2005 08/07/2005-08/11/2005
<b>Compromise Amount Offered</b>	\$5,000	<b>% Of Charges</b>	4%
<b>Amount to be Written Off</b>	\$124,894	<b>Facility</b>	H/UCLA Medical Center

## JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$129,894 for medical services rendered. The patient qualified for the Ability-to-Pay (ATP) program with no liability. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$5,000	\$5,000	33.3%
<b>Lawyer's Fees</b>	\$281	\$281	2.0
<b>H/UCLA Medical Center</b>	\$129,894	\$5,000	33.3%
<b>Other Lien Holders</b>	\$665	\$665	4.4%
<b>Patient</b>		\$4,053	27.0%
<b>Total</b>		\$15,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to H/UCLA Medical Center.

## DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5  
DATE: April 13, 2006

<b>Total Charges</b>	\$84,348	<b>Account Numbers</b>	3601586
<b>Amount Paid</b>	\$0	<b>Service Type</b>	Inpatient
<b>Balance Due</b>	\$84,348	<b>Date of Service</b>	09/06/2004-09/17/2004
<b>Compromise Amount Offered</b>	\$4,000	<b>% Of Charges</b>	5%
<b>Amount to be Written Off</b>	\$80,348	<b>Facility</b>	MLK/D Medical Center

### JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at MLK/D Medical Center and incurred total inpatient and outpatient charges of \$84,348 for medical services rendered. The patient was not eligible for Medi-Cal and did not complete the Ability-to-Pay (ATP) program application. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
<b>Lawyer's Fees</b>	\$6,000	\$5,000	33.3%
<b>Lawyer's Cost</b>	\$251	\$251	1.7%
<b>MLK/D Medical Center</b>	\$84,348	\$4,000	26.7%
<b>Other Lien Holders</b>	\$67,455	\$3,553	23.7%
<b>Patient</b>		\$2,196	14.6%
<b>Total</b>		\$15,000	100%

Based on financial information provided by patient, it appears that the patient has no other source of income, or personal or real property to meet his obligation to MLK/D Medical Center.